



C/041/002 Incoming
cc: April

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District, Price Field Office
125 South 600 West
Price, UT 84501

<http://www.blm.gov/ut/st/en/fo/price.html>



JAN 11 2013

IN REPLY PLEASE REFER TO:
3482 (UTG023)
SL-062583 (Lead Mine Lease #)
UTU-73341 (LMU #)

RECEIVED

JAN 14 2013

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL--RETURN RECEIPT REQUESTED
#7011 2970 0002 6022 0353

Kenneth E. May/General Manager
Canyon Fuel Company, LLC
SUFCO Mine
397 South 800 West
Salina, Utah 84654

Re: Lease Boundary Barrier Coal, Underground Mining Performance Standards, SUFCO Mine

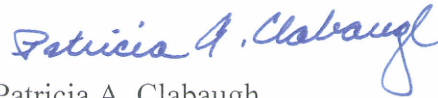
Dear Mr May:

The West Lease Mains development entries will soon be nearing the boundary to the 20 acre lease modification parcel (application for the 20 acre lease modification to Federal coal lease SL-062583). Current federal and state lease and safety regulations require that 50 feet of coal be left as a barrier to any of the outside boundary lines of leased or licensed coal lands. The purpose of this requirement is to protect adjoining coal owners from mining too close to each other and the safety concerns of such. In the interest of conservation, the Bureau of Land Management (BLM) may waive this requirement or make an agreement with coal owners to recover the coal in the barrier with due consideration to safety and without undue hardship to the coal owners (see 43 CFR 3484.1 (c) (6)). This unleased 20 acre parcel can only be accessed by Canyon Fuel (as determined from your lease modification application) and the coal would be wasted if not mined up to the boundary. The operator/lessee or BLM may initiate any proposal to mine inside the 50 foot boundary barrier. To facilitate the timing and the entry configuration for eventual mining on to the tract, the BLM authorizes Canyon Fuel to mine, if needed, up to the boundary line of the 20 acre lease modification application tract adjacent to existing federal coal lease SL-062583, Canyon Fuel lessee.

This authorization to mine inside the 50 foot boundary is in the interest of conservation of the federal coal resource as per the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, and the lease terms and conditions. Maximum economic recovery of the federal coal

will be achieved. The current resource recovery and protection plan shows mining up to the 20 acre tract boundary but will need to be updated for mining on the tract when leased. If you have further questions, please contact Steve Rigby at 435-636-3604.

Sincerely,



Patricia A. Clabaugh
Field Manager

cc: Roger Bankert (UTG923)

William Stringer (UTG000)

Fishlake National Forest
115 East 900 North
Richfield, UT 84701

Manti-LaSal National Forest
599 West Price River Drive
Price, UT 84501

Utah Division of Oil Gas and Mining
P. O. Box 145801
Salt Lake City, Utah 84114-5801